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# CENTRAL INTELLIGENCE GROUP

## INTELLIGENCE REPORT

COUNTRY Poland

SUBJECT Trade and Finance

DIST. 23 September 1947

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SUPPLEMENT

ORIGIN

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1. Foreign Trade.

Trade relations between Poland and the USSR continue to be a one-sided economic exploitation of Poland. The shortage of coal on the home market during the winter of 1946-1947 can be ascribed only to the extensive exportation of coal to the USSR. Nothing is allowed to interfere with this movement of coal. For example, a miners' strike at Walbrzeg (Waldenburg) resulted in Russian soldiers' taking over the mines there and loading up the entire production for shipment to the USSR.

The Polish cement industry is also under special Soviet "protection", and the greater share of the production goes to the USSR.

In the two State Sewing Factories at Katowice and Bytom (Beuthen) underwear, dresses, and suits are made from Polish materials exclusively for export to the USSR. A textile factory at Bielsk (about 95 km. WNW of Warsaw) is sending 90% of its best quality products, manufactured from wool and cotton supplied by UNRRA and from Polish wool, to the USSR and only 10% reaches the home market. The State Silk Factory at Wroclaw (Dreslau) has exported to the USSR about 150 tons of silk to the value of 70,000,000 zloty, and payment for this is still outstanding.

## 2. According to figures

exports to and imports from the USSR  
 for the month of December 1946 were as follows:

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## a. Exports from Poland to the USSR.

Coal	520,795,967 kg.	Cadmium	15,000 kg
Carbide	815,800 "	Window glass	342,518 "
Napthaline	98,110 "	Wine bottles	437,300 "
Zinc	208,000 "	Perfume bottles	96,623 "
Zinc sheet	594,070 "	Glass carboys	16,700 "
Zinc white	153,800 "	Glass fancy goods	14,177 "
Red lead	109,451 "	Beer bottles	271,725 "
Nitrate of soda	45,000 "	Cement	13,997,440 "
Raw zinc	144,000 "	Glass jars	13,293 "
Sulfur	36,000 "	Coke	504,550 "

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## b. Imports to Poland from the USSR.

Anthracite	884,900 kg.	Tractor fuel	832,513 kg.
Kaolin	132,500 "	Iron ore	34,500 "
Aviation Lubricants	132,500 "	Manganese ore	60,000 "
Aviation spirit	722,679 "	Chrome ore	1,709,000 "
Motor lubricants	710,233 "		

3. Two important steps must be taken in Polish foreign trade in view of the stoppage of UNRRA supplies on the one hand and heavy investments under the three-year plan on the other. The first step will be to increase the value of imports from 130,000,000 dollars in 1946 to 510,000,000 dollars in 1947. The second step will be to increase the value of Polish exports from 120,000,000 dollars in 1946 to 293,000,000 dollars in 1947. The carrying out of this program will require closer collaboration between the government and private enterprise.

4. Domestic Trade.

There is a general increase in prices, especially on goods for which there is a shortage of raw materials. One of the marked rises has been in the price of leather and leather goods. In July 1946 chrome leather cost 2600 zl. per square meter, whereas the April 1947 price was over 12000 zl.

Prices for foodstuffs and current consumption articles have risen throughout the whole of Poland. In Krakow, for example, the cost of living index was as follows for the times indicated:

July 1939	1	July 1946	117.15
Jan. 1945	100	Sept. 1946	103.52
Mar. 1945	130	Nov. 1946	122.11
Sept. 1945	78	Jan. 1947	121.42
Feb. 1946	119.4	Feb. 1947	129.76
May 1946	126.19		

Rumors of a change in the currency have caused a great wave of spending. In the towns and rural districts everybody is eager to buy anything and everything rather than hold on to his money. Recently in Warsaw certain commodities such as leather, paper, textiles, etc., disappeared from the market altogether. Non-ferrous metals such as copper, tin, and brass are unobtainable or are to be had only at exorbitant prices.

In an attempt to keep a check on prices with a view to their stabilization a special commission has been appointed (Komisja Notowa - Commission of Records), whose task is the objective recording of market prices. This commission furnished material to Price Commissions (Komisja Cennikowa), which function in districts and voivodships and fix maximum prices for primary necessary articles.

The District Price Commissions are subordinate to the Voivodship Price Commissions. The latter are composed of twelve members representing the following bodies:

Administrative Authority	2 members
National Council	1 member
Trade Unions	1 "
Chamber of Industry and Trade	1 "
Chamber of Craftsmen	1 "
Peasants' Mutual Aid Union	1 "
"Spolem" Cooperative Society	1 "
State Trade Central (Panstwowa Centrala Handlowa - PCH)	1 "
Union of Merchants	1 "
Commission of Records	1 "
State Treasury Inspectorate	1 "

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5. State Trade.

The State Trade Central (PCH) is endeavoring to monopolize all private industrial production in order to prevent distribution by private enterprise. The State Industry "Sale Centers", instead of acting purely as wholesale distributors, are attempting to eliminate private wholesalers, either by offering them goods at retail prices or offering such insignificant rebates that the latter do not cover overhead cost. Thus the wholesale trade is gradually passing under the direct control of the State. Recently all registered wholesalers were obliged to sign agreements curtailing their rights, in order to obtain goods from the State.

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